



12400 Coit Road, Suite 875
Dallas, TX 75251

March 13, 2017

Re: Proposed Amendment to the Rayzor Ranch 380 Agreement

Mayor Chris Watt and Denton City Council Members: Keely Briggs, Sarah Bagheri, Kevin Rhoden, Kathleen Wazny, Joey Hawkins and Dalton Gregory

Denton City Council:

After recently re-opening our newly renovated and expanded Luxury Movie Tavern on University Drive we became aware of the proposed Alamo Drafthouse at Rayzor Ranch. This comes as a great disappointment given that we just invested over \$9,000,000 to remodel our property to ensure that we provided the citizens of Denton with a first class, luxury seating, state of the art dine-in theater experience. Alamo Drafthouse is the third theater to announce at the site over the past 5 or so years. Most recently Cinemark had a deal at Rayzor Ranch and backed out upon the announcement of our expansion project. The two sites are only 1.5 miles apart and with our additional seats and auditoriums the market is more than adequately served. The industry rule of thumb for theater screens to population is 1 screen per 10,000 residents. Between the Cinemark 14, located just 6 miles away on Wind River Ln, and our newly expanded theater with 9 screens, we collectively provide the market with sufficient viewing alternatives and choices given an overall population base of approximately 230,000.

We are also aware that there is a proposed 4th Amendment to the Rayzor Ranch 380 Agreement that will extend the timeframe for development of the site. Without an extension of time and the incentives from the city the theater project at Rayzor Ranch is very likely not feasible for the developer. We hope the 4th Amendment will be denied by the council as the project provides no appreciable benefits to the community. Economic incentives of this type are generally granted for development that brings new retailers, service providers, businesses and amenities that aren't currently available to the tax payers of Denton. The city of Denton already has our brand new Movie Tavern just 1.5 miles away from the proposed Alamo and the existing 14 screen Cinemark 6 miles to the South. If the developer or Rayzor Ranch and Alamo Drafthouse wish to build a theater and risk having it go out of business then they should do so with their own funds; not with an incentive package from the city that would be better utilized elsewhere. Adding this theater will not meaningfully increase sales tax revenue for the city as our theatre and the proposed Alamo will simply split attendance and market share.

We strongly encourage the council to reject the extension of time in the 4th Amendment. We thank you for your consideration. Please contact me at 214-751-8197 with any questions you may have.

Respectfully,

Kade L. Pittman
Director of Real Estate